

Secretary of Health and Human Resources' CHILD SUPPORT GUIDELINE REVIEW PANEL

730 East Broad Street - Management Services Unit Richmond, Virginia 23219

Joseph S. Crane, Chairman Bill Brownfield, Staff Director 804/692-1401; <u>jsc900@dcse.dss.state.va.us</u> 804/692-2403; <u>whb900@dcse.dss.state.va.us</u>

September 26, 2002 Meeting

The meeting of the 2001-2002 Secretary's Child Support Guideline Review Panel was held on Thursday, September 26, 2002 in the lower level of the Theater Row Building, Richmond, VA. Mr. Joseph Crane, Chairman, called the meeting to order at 9:55 AM. and declared a quorum to be present.

The following members were present: Ms. Amy Atkinson, Ms. Cathy Burch, Ms. Brakke-Campfield, Mr. Maxie Cannon, Chairman Joseph Crane, Mr. Lawrence Diehl, Mr. Murray Steinberg, Ms. Stephanie Sulmer. Support staff present included Bill Brownfield, Bob Owen and Angela Thomas. Panel members Ms. Cynthia Ewing, Senator Fred Quayle, and Delegate Vivian Watts were unable to attend.

Mr. Diehl distributed a paper by Richard Byrd titled "The Self-Employment Tax Deduction From Income for Guideline Child Support." Copies will be shared by mail with absent Panel members. The Chair advised the paper would be forwarded for review to Mr. Robert Raymond, the Certified Public Accountant who has appeared before the Panel to address tax issues in child support.

Mr. Diehl moved approval of the minutes of the August 19, 2002 meeting as distributed. The motion was approved unanimously.

Because of the expressed interest in the subject, the Chair stated that there will be no vote on issues addressing "second family" or "first mortgage" children without the presence of both Mr. Diehl and Ms. Sulmer, and that "second family issues" would be added to the Panels "Issues List" as item K. [List included below]

The Panel's consultant, Dr. William Rodgers of the College of William and Mary, arrived and began to discuss with and respond to Panel members' questions of his proposed "Schedule of Monthly Obligation (Schedule)."

Ms. Burch moved the Panel recommend the self-support reserve be added under Code Section 20-108.2 as follows: "An award of child support under this title shall not reduce the NCP's residual income to an amount less than 150 percent of the federal poverty level promulgated by the U.S. Department of Health and Human Services. However, any calculation under this subdivision shall not create or reduce a support obligation to an amount which seriously impairs either party's ability to maintain minimal adequate housing for himself or herself and provide other basic necessities for the child." The motion was approved unanimously.

Mr. Steinberg requested clarification of what was adopted as the definition of child support during the July 1, 2002 Panel meeting.

Mr. Crane noted to the members' present that final decision regarding the Panel's recommendation of a new Schedule would be scheduled for the October 8, 2002 meeting, as he felt the recommendation required the broadest possible consideration by as many Panel members as possible.

The Panel asked that staff communicate with Dr. Rodgers, who had returned to teach a class at William and Mary, to complete the following requests relative to his presentation.

- Review the proposed Schedule to ensure that no cells in the Schedule would place the noncustodial parent's income below the self support reserve level, assuming a 50/50 split of monthly gross income; and the Panel would like to see several hypothetical cases using the proposed Schedule.
- ▶ Provide a suggested formula for determining the monthly obligation for monthly incomes above those established as part of the Schedule.
- ▶ Provide phase-in suggestions of how to implement the large percentage or dollar increase from the current Schedule to the proposed Schedule.
- ▶ Provide two or three scenarios, phasing in the proposed Schedule's monthly obligation over several periods, e.g., 1, 2, or 3 years.

Mr. Steinberg wanted Dr. Rodgers to respond to the question: "If you had used House Document #15, the JLARC report on child support, would the proposed Schedule look differently?"

Mr. Crane adjourned the meeting at 2:05 p.m.

Bill Brownfield, Secretary

Bill Brounfiel

These minutes were approved, as revised, by the Panel at its October 8, 2002 meeting.

Revised Issues List

- a. Define child support. What should be included in the award? Need to be stated such that it is uniformly understood:
- b. One standard guideline with all deviations used by court and DCSE; deviation factors;
- c. Tax consequences in the guideline; Taxes how to address benefits and consequences; Day care costs/federal child care credits;
- d. Minimum order (\$65) for Court-ordered @ child support for unemployed NCP's;
- e. Review the three recommendations from the JLARC Report on The Cost of Raising Children; Will be the basis for newly developed Schedule
- f. Maximum percent of income to order a maximum percentage of income;
- g. Base pay versus second job income;
- h. Means of identifying the support, e.g. food, shelter, transportation, etc.;
- i. Schedule inclusions/parameters of the Schedule; To be added to statutory language preceding the Schedule.
- j. Self Support Reserve: Will be included with newly developed Schedule
- k. "First Mortgage"/Second Family Issues